

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re Hovbros Burlington LLC

Case No. 16-13892 (JNP)_
Reporting Period: JUNE 2016

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	X	X
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable			
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date 7-19-16

Signature of Joint Debtor

Date

Signature of Authorized Individual*

Date 7/19/16

Robert W Haslam
Printed Name of Authorized Individual

V.P. Operation
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

FORM MOR
(9/99)

**US BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re HOVBROS BURLINGTON LLC Case No. 16-13892 (JNP)
Debtor Reporting Period: JUNE 2016

Explanation
Starting cash balance is prior to opening D.I.P. accounts. The D.I.P. accounts were opened in April

RECEIPTS

Other Receipts - \$3,449.51 is a voided check cut in April that was cut in March

Due to the timing of closing the bank account a balance of \$95.55 must remain with Burlington pre-petition. Burlington post-petition will open the account from a non-debtor with \$100.

EXPENSES - for April 2016 thru February 2017

ADMINISTRATIVE	OTHER	Professional
0.00	0.00	0.00

Other Expenses - April The \$4,508.56 is a refund to the non-debtor of funds for the voided checks that were issued, the monies that must remain with the original bank account and CAM pymt

In re HOVBROS BURLINGTON LLC
Debtor

Case No. 16-13892 (JNP)
Reporting Period: JUNE 2016

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank accounts columns. The amounts reported in the "PROJECTED" column should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

	BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE	
	OPER	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	582.99				582.99	100.00	-3,289.48	-3,289.48
RECEIPTS								
CASH SALES								
ACCOUNTS RECEIVABLE								
LOANS AND ADVANCES	438.00				438.00	4,584.51	19,976.05	27,903.10
SALE OF ASSETS								
OTHER (ATTACH LIST)							7,546.49	3,449.51
TRANSFERS (FROM DIP ACCTS)								
TOTAL RECEIPTS	438.00				438.00	4,584.51	27,522.54	31,352.61
DISBURSEMENTS								
NET PAYROLL								
PAYROLL TAXES								
SALES, USE, & OTHER TAXES							11,313.04	11,313.04
INVENTORY PURCHASES								
SECURED/ RENTAL/ LEASES						3,449.51	10,348.53	10,348.53
INSURANCE						300.00		900.00
ADMINISTRATIVE	0.00					15.00	65.00	95.00
SELLING								
OTHER (ATTACH LIST)	2,478.00				2,478.00	0.00	3,658.50	4,506.58
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)								
PROFESSIONAL FEES						150.00		150.00
U.S. TRUSTEE QUARTERLY FEES						650.00	325.00	650.00
COURT COSTS								
TOTAL DISBURSEMENTS	2,478.00				2,478.00	4,584.51	25,710.07	27,963.13
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-2,040.00				-2,040.00	0.00	1,812.47	3,389.48
CASH - END OF MONTH	-1,477.01				-1,477.01	100.00	-1,477.01	99.99

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	2,478.00
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	\$
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	2,478.00

FORM MOR-1
(9/99)

**US BANKRUPTCY COURT
OF NEW JERSEY**

In re HOVBROS BURLINGTON LLC
Debtor

Case No. _16-13892 (JNP)
Reporting Period: JUNE 2016

Explanation	Ending Bal
D.I.P. account opened in April	125.00

Explanations for Other Receipts under Cumulative Actual	
Original operating account could not be closed due	
to account being levied - balance in account	
has been reflected as a reduction to overall cash	95.52
and now classified as restricted funds	<hr/>

Explanation for Other disbursements under Current month	
Pymt for lawn maintenance	438.00

Explanations for Other Disbursements under Cumulative Actual	
Pymt for lawn maintenance	3,317.25
Pymt for consulting services	<hr/> 341.25
	3,658.50

In re HOVBROS BURLINGTON LLC
Debtor

Case No. 16-13892 (JNP)
Reporting Period.: JUNE 2016

STATEMENT OF OPERATIONS
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	Month	Cumulative Filing to Date
Gross Revenues	\$	\$
Less: Returns and Allowances		
Net Revenue	0.00	0.00
COST OF GOODS SOLD		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold	0.00	0.00
Gross Profit	0.00	0.00
OPERATING EXPENSES		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs		
Insider Compensation*		
Insurance		
Management Fees/Bonuses		
Office Expense		
Pension & Profit-Sharing Plans		
Repairs and Maintenance	219.00	1,314.00
Rent and Lease Expense	814.23	2,486.83
Salaries/Commissions/Fees		
Supplies		
Taxes - Payroll		
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment		
Utilities		
Other (attach schedule)		15.00
Total Operating Expenses Before Depreciation	1,033.23	3,815.83
Depreciation/Depletion/Amortization	0.00	0.00
Net Profit (Loss) Before Other Income & Expenses	-1,033.23	-3,815.83
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)		
Interest Expense		
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	-1,033.23	-3,815.83
REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees	325.00	650.00
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses	325.00	650.00
Income Taxes		
Net Profit (Loss)	-1,358.23	-4,465.83

*"Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-2

(9/99)

In re HOVBROS BURLINGTON LLC
Debtor

Case No. 16-13892 (JNP)
Reporting Period: JUNE 2016

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date
Other Costs		
Other Operational Expenses		
Bank fees	0.00	15.00
Other Income		
Other Expenses		
Other Reorganization Expenses		

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

FORM MOR-2 (CON'T)
(9/99)

In re HOVBROS BURLINGTON LLC
Debtor

Case No. 16-13892 (JNP)
Reporting Period: JUNE 2016

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents	-1,477.01	-7,339.48
Restricted Cash and Cash Equivalents (see continuation sheet)	26,699.52	26,604.00
Accounts Receivable (Net)	14,662,585.19	14,638,393.18
Notes Receivable		
Inventories		
Prepaid Expenses		
Professional Retainers		
Other Current Assets (attach schedule)		
TOTAL CURRENT ASSETS	14,687,807.70	14,681,657.70
PROPERTY AND EQUIPMENT		
Real Property and Improvements	6,614,673.40	6,603,360.38
Machinery and Equipment		
Furniture, Fixtures and Office Equipment	0.00	
Leasehold Improvements		
Vehicles		
Less Accumulated Depreciation		
TOTAL PROPERTY & EQUIPMENT	6,614,673.42	6,603,360.38
OTHER ASSETS		
Loans to Insiders*		
Other Assets (attach schedule)		
TOTAL OTHER ASSETS	0.00	0.00
TOTAL ASSETS	21,302,481.12	21,285,018.08

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable	438.00	
Taxes Payable (refer to FORM MOR-1)		
Wages Payable		
Notes Payable		
Rent / Leases - Building/Equipment		
Secured Debt / Adequate Protection Payments		
Professional Fees		
Amounts Due to Insiders*		
Other Postpetition Liabilities (attach schedule)	325.00	2,040.00
TOTAL POSTPETITION LIABILITIES	763.00	2,040.00
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt	9,708,780.38	9,716,642.08
Priority Debt		
Unsecured Debt	595,071.03	595,071.03
TOTAL PRE-PETITION LIABILITIES	10,303,851.41	10,311,713.11
TOTAL LIABILITIES	10,304,614.41	10,313,753.11
OWNER EQUITY		
Capital Stock		
Additional Paid-In Capital		
Partners' Capital Account	10,973,927.99	10,973,927.97
Owner's Equity Account		
Retained Earnings - Pre-Petition	-2,463.02	-2,463.02
Retained Earnings - Postpetition	-4,465.82	
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)	31,067.56	
NET OWNER EQUITY	10,997,866.71	10,971,264.95
TOTAL LIABILITIES AND OWNERS' EQUITY	21,302,481.12	21,285,018.06

*"Insider" is defined in 11 USC Section 101(31)

FORM MOR-3
(9/99)

Case No. 16-13892 (JNP)
Reporting Period: JUNE 2016

BALANCE SHEET - continuation sheet

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets		
Restricted Cash and Cash Equivalents	26,699.52	26,604.00
Increase due to original Parke Bk acct levied for \$95.52		
Township escrows of \$26,604		
Accounts Receivable (Net)	14,662,485.19	14,658,293.18
Difference is a refund of \$4,192.01 to JSH LLC - original cks were voided due to bankruptcy		
Other Assets		
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Postpetition Liabilities		
mortgages - Cecco principal pymts	9,708,780.38	9,716,642.08
Reduction of Cecco principal due to monthly pymts of \$3,449.51		
accrued Qrterly fees due Trustee	325.00	
Adjustments to Owner Equity		
Postpetition Contributions (Distributions) (Draws)		
Funding for payables	31,067.56	
JSH LLC - \$11,574.52		
Hovbro's Cinnaminson \$11,751.04		
Hovbro's Clayton Urban \$7,742.00		

Restricted Cash: cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re HOVBROS BURLINGTON LLC
Debtor

Case No. 16-13892 (JNP)
Reporting Period: JUNE 2016

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding						0.00
FICA-Employee						0.00
FICA-Employer						0.00
Unemployment						0.00
Income						0.00
Other:						0.00
Total Federal Taxes	0.00	0.00	0.00	0.00	0.00	0.00
State and Local						
Withholding						0.00
Sales						0.00
Excise						0.00
Unemployment						0.00
Real Property						0.00
Personal Property						0.00
Other:						0.00
Total State and Local	0.00	0.00	0.00	0.00	0.00	0.00
Total Taxes	0.00	0.00	0.00	0.00	0.00	0.00

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	219.00		219.00			438.00
Wages Payable						0.00
Taxes Payable						0.00
Rent/Leases-Building						0.00
Rent/Leases-Equipment						0.00
Secured Debt/Adequate Protection Payments						0.00
Professional Fees						0.00
Amounts Due to Insiders*						0.00
Other:						0.00
Other:						0.00
Total Postpetition Debts	219.00	0.00	219.00	0.00	0.00	438.00

Explain how and when the Debtor intends to pay any past-due postpetition debts.

*"Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-4
(9/99)

In re HOVBROS BURLINGTON LLC
Debtor

Case No. 16-13892 (JNP)
Reporting Period: JUNE 2016

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	14,662,585
+ Amounts billed during the period	0
- Amounts collected during the period	0
Total Accounts Receivable at the end of the reporting period	14,662,585

Accounts Receivable Aging	Amount
0 - 30 days old	0
31 - 60 days old	0
61 - 90 days old	0
91+ days old	14,662,585
Total Accounts Receivable	14,662,585
Amount considered uncollectible (Bad Debt)	0
Accounts Receivable (Net)	14,662,585

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	

D.I.P. account was not opened until April. All checks that were issued in March were voided - 2 in March and one in April

The receivable balance is comprised of intercompany receivables, \$14,662,485 and Burlington Cty \$100.

Amount reported as the pre-petition balance was \$14,658,293.18 intercompany receivables and \$100 Burlington Cty
Difference between current accounts receivable and receivable reported as book value on petition date is \$4,192 which was a refund to JSH LLC (Mor3cont explanation)